

PROPERTY TAX BENEFIT PROGRAMS FOR SENIOR CITIZENS AND DISABLED PERSONS

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STATE LAW PROVIDES PROPERTY TAX BENEFITS FOR SENIOR CITIZENS/DISABLED PERSONS ON THEIR PRINCIPAL PLACE OF RESIDENCE IN TWO CATEGORIES:

- ?? SENIOR CITIZENS/DISABLED PERSONS PROPERTY TAX EXEMPTION
- ?? DEFERRAL OF PROPERTY TAXES AND/OR SPECIAL ASSESSMENTS

REQUIREMENTS FOR SENIOR CITIZENS/DISABLED PERSONS PROPERTY TAX EXEMPTION

- ?? You must be **age 61 or older, or disabled**, on or before December 31 of the year you file to receive a reduction at age 62 (example: age 61 by 12/31/01 for exemption in 2002). There is no age requirement for disabled persons, but proof of disability is required. If you are over age 61 and disabled you are eligible without a physician's statement. **Income including social security and any other non-taxable income for you, your spouse (even if you file separate tax returns), and your co-tenants cannot exceed \$30,000.** Certain expenses, including non-reimbursed costs for prescription drugs, may be excluded from your income.
- ?? You must be the **owner and occupant** of a single family dwelling, mobile home, condo or Co-op housing. **Temporary confinement to a hospital or nursing home** is allowed (If your residence is rented during this time, you must show that the rent received is going towards the nursing home expenses). If you have deeded your property to someone and retained a life estate, you may still qualify if you continue to live in the residence and are responsible for the taxes. Life Estate must be noted in Deed, Trust or Lease for Life.
- ?? **Prior years** - You may apply for three years prior as well as the current year, if you meet qualifications for each of the years. The assessed value is frozen during eligibility. The market value is reinstated upon cancellation of the exemption.
- ?? **If your property is more than an acre**, the reduction applies to only one acre plus the residence. The excess acreage is billed on a separate tax statement at the regular rate. You must make payment on both statements.
- ?? Your **income** must fall into one of the categories listed below:
 - \$18,000 or less** - Exempt from regular property taxes on up to \$50,000 or 60% of valuation, whichever is greater; and exempt from 100% of excess levies.
 - Between \$18,001 - \$24,000** - Exempt from regular property taxes on up to \$40,000 or 35% of valuation, whichever is greater, not to exceed \$60,000; and exempt from 100% of excess levies.
 - Between \$24,001 - \$30,000** - Exempt from 100% of excess levies.

REQUIREMENTS FOR DEFERRAL OF PROPERTY TAXES AND/OR SPECIAL ASSESSMENTS

Senior Citizens or Disabled persons whose income is below **\$34,000** may *defer* property taxes and/or special assessments on up to 80% of their equity in their property. If your income is below \$30,000 you must also apply and qualify for the property tax exemption.

- ?? **Age 60 or older** as of December 31 of the year you file, **or permanently disabled** (no age requirement – proof of disability required). **Owner and occupant** of residence.
- ?? Must **file annually** at least 30 days before taxes are due.
- ?? Must keep in force **fire and casualty insurance**, with State Department of Revenue as loss payee.
- ?? A **lien** is placed against the property. **Interest accrues at a rate of 8% annually.**
- ?? Reimbursement of deferred property taxes plus interest is required upon sale or transfer of the property.
- ?? Ownership in Co-ops, trusts and life estates do not qualify for a deferral.

Taxes on up to five acres plus the residence can be deferred, depending on zoning. Any excess acreage will be billed to you directly and taxed at the regular rate. If you cannot afford to pay taxes on the excess acreage you will not be foreclosed upon under the deferral program.

**PLEASE READ BEFORE COMPLETING YOUR CLAIM
SENIOR CITIZEN/DISABLED REDUCTION IN PROPERTY TAXES**

This material is available in alternate format for individuals with disabilities upon advance request by calling Exemptions at 206-296-3920 or TTY 206-296-7888.

Claims filed for a residence purchased in the current tax year - The exemption is effective the following year. If you find you were eligible for prior years (age, disability, income, owner and occupant), you may make application for three prior years. The valuation of the residence shall be frozen at the assessed value of the residence on January 1st of the assessment year the person first qualifies for the reduction. Market value reinstated if no longer eligible for the reduction in property taxes.

PROOF of income is required per RCW 84.36.381-.389. Documentation of income must be submitted in order to receive the reduction. You may submit estimated income with the application and mail proof of income no later than May of the next year if you are filing for 2002. (Example: If you are filing in 2001, for tax relief in 2002, you must provide actual income for 2001, no later than May 31, 2002). It is feasible to **wait until you have the acquired documentation/proof of income before filing your claim(s)**. We will still accept your application after the December 31st deadline up to three years from the date taxes are paid. Disabled individuals must submit a doctor's statement indicating unable to work based on the disability, type of disability, when disability occurred, and is disability permanent or temporary.

If you meet requirements and are filing for three prior years (01 00, 99) **you must have income documentation for the year specified on each claim attached or your claim(s) will not be processed. If you file an income tax return**, attach a copy of the return to your claim. If you have a business, rental or capital gain, etc. please attach the appropriate Schedules involved. A **loss is not a deductible and cannot be subtracted** from your total income. **Non-reimbursed nursing home expenses, including non-reimbursed medication expense by the claimant or his or her spouse or co-tenants may be deducted from gross income.** Verification of non-reimbursed expenses is required for the claimant, his or her spouse and any co-tenants. **Non-reimbursed in-home care for the claimant, his or her spouse or co-tenants may be deducted.** Items such as specialty foods, oxygen, Meals on Wheels, special needs furniture, attendant care and light housekeeping may be deducted from gross income. It is not a requirement that the person providing in-home care be specially licensed. **Non-reimbursed prescription drugs may be deducted from gross income.** If you do not file a return, please attach source documents. (Example of type of verification needed: Social Security annual statement, year end Bank Statements indicating automatic deposits of pension, social security, interest, copy of receipts, printout from pharmacy, canceled checks, etc. **We cannot accept self-typed/handwritten documentation on plain paper as verification**). All information presented is confidential. Files are properly destroyed if claims are denied or canceled.

In accordance with the Washington State Legislative guidelines **total income** must include **100% Social Security to include Part B Medicare, VA Retirement, L & I Benefits, Disability payments, Welfare, and any other non-taxable income, all capital gains, interest, dividends, wages, Roth IRA, business/rental income, etc.** These items may not appear on income tax returns you file. You must add these to your income on the claim for reduction in property taxes. Withdrawals from **IRAs** must be counted as income. If the IRA withdrawal is a rollover, please provide documentation to indicate it is a rollover. Lump sum (one time gift) inheritance, lump sum amounts (one time payment) received under workmen's compensation, lump sum amounts (one time payment) received through accident or health insurance are not to be included as part of your income. A **Capital gain** is counted as income even if excluded by IRS. If you sell your residence and replace it with another, the replacement residence and expenses can be deducted from the sale price to determine actual gain. Documentation must be provided to verify income.

If a request by our office is made for additional information regarding your claim(s) and there is no response within 30 days we will void your claims for a reduction.